

14 JUL 1975

INSPECTOR GENERAL

71-3627

MEMORANDUM FOR: Director of Central Intelligence

SUBJECT : Future Program and Organization
of the Inspection Staff

1. To carry out Recommendations 5, 9 and 12 of the report of the Rockefeller Commission changes will be required in both the activities and staffing of the Office of the Inspector General. The impact will be almost entirely on the Inspection Staff. The key recommendations are summarized briefly below:

a. There is a stated requirement for more frequent Inspector General reviews of the Agency, especially for periodic reviews of all offices within the United States.

b. There is a stated requirement that the Inspector General be the focal point for reports and investigation of improper activities.

c. There is a stated requirement that the Inspector General provide reports to both NSC and the expanded PFIAB (presumably the Executive Oversight Body).

d. To carry out the above there is a stated requirement for a larger staff, and for highly qualified personnel from both inside and outside the Agency.

2. Assumptions made in the preparation of this paper are:

a. The Inspection Staff will continue to handle employee grievance cases, as well as investigating reports of misfeasance, malfeasance, nonfeasance and conflicts of interest. It will retain its role of surveying and evaluating problem areas.

b. The functions of the CIA Director of Equal Employment Opportunity will be established in a separate administrative element, no longer a part of the Inspection Staff.

c. The size of the Inspection Staff must ensure a capability of handling on-going grievance cases and investigations at the same time that an inspection program is being conducted in the field and at headquarters.

Inspections

3. The new inspection program will not equate with the former program of comprehensive surveys of components. Instead of in-depth reviews of all aspects of a component, the emphasis will be that of a special focus on compliance with directives and with legal and policy constraints. The frequency of inspections will vary between components, those with the most sensitive responsibilities being reviewed at the most frequent intervals.

4. The Rockefeller Commission also recommended that the Inspector General make an evaluation of "effectiveness of ... program in implementing policy objectives." This does not require a reinstitution of the in-depth reviews of the past. Following the reorganization of the inspection program in 1973 the Inspection Staff retained a responsibility for conducting studies of special subject matter, and has engaged in limited work along this line. Although time to engage in this activity has been largely pre-empted for the present by the demands of external investigations, the basic authorization has been retained and would be incorporated into the new inspection format on a highly selective basis. Care will be taken to coordinate with the Audit Staff, with its "program audit," in the selection of subject matter to be reviewed.

5. The new inspections, as now envisioned, would be designed to move quickly through a number of predetermined subjects in the components under review, the result to be reflected in concise reports. The time saved through this sharper focus and stream-lined mode is expected to make possible the more frequent reviews proposed in the Rockefeller Commission recommendations.

Focal Point for Reporting Improper Activities

6. For the past two years the Inspector General has served as a focal point for handling reports of activities inconsistent with the Agency's charter. For the most part this has been more in the nature of an administrative review than an investigative function, although there has been some independent investigation of individual situations. This is due largely to the volume of work, arising from assembly of information for the external investigations and the short time frame associated with needed responses. When this is past, the record should be fairly clear as to past activities, and a more normal situation should make an established investigation and inspection procedure adequate for the purpose. The role of the Inspector General as a continued focal point for reports of improprieties need only be formalized by regulation. Of course, in investigating such reports, as in the conduct of its program of inspections, the representatives of the Inspector General "should be given complete access to all information in the CIA relevant to his reviews," subject only to specific written exemptions by the DCI.

External Reporting

7. The requirement that the Inspector General should have the authority to consult with PFIAB after notifying the Director, is unique. The apparent purpose of the recommendation is to strengthen the Inspector General in the attention given his recommendations. In principle, however, the Inspector General is an instrument of internal control, and in principle it should be the Director or his instructed representatives who deal with external bodies such as PFIAB. While it is difficult to envision at this time the sort of issue that the Inspector General might feel constrained to take outside the Agency, implementation of the recommendation will require that the procedures to be followed should be worked out between the DCI and Inspector General on one hand, and then between the DCI and PFIAB. This may require an amendment in the regulations.

8. Procedures for the Inspector General to take the initiative in reporting to PFIAB on issues he deems important are matched by the initiatives of the NSC and PFIAB implicit in the receipt by them

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of inspection reports. The requirements to report to PFIAB and NSC will expose procedures of internal accountability to external authorities. It will require a new type of record-keeping and documentation than was employed in the past. In the past the final report spoke for itself, with only a limited holding of administrative papers being retained. In the future, greater care will be required in preparation of memoranda for the record, and in the selection of records to be held for possible external review. This may prove to have as much of an inhibiting influence as it is intended to reinforce the impact of internal control and review. The details of how this is carried out will require careful consideration.

Manpower and Staffing

9. In addition to the Inspector General and his Deputy (both of whom are co-located with the Inspection Staff, the latter also serving as Chief of the Inspection Staff), it is felt there should be ten inspectors on the staff. This is to be contrasted with the former Inspection Staff, which had as many as fourteen inspectors assigned to it. The former staff conducted more detailed surveys of components than is now anticipated, which leads us to estimate that a smaller staff can handle the accelerated program; if experience proves that it cannot we will again ask for additional personnel. In addition to the secretaries of the Inspector General and his Deputy, it is felt that there should be a minimum of three secretaries, and possibly four, to handle the support of the ten inspectors, and one clerk assigned to the registry and files of the office in general.

10. For purposes of continuity it is felt that there should be a small cadre of inspectors who are members of the E Career Service, who would provide continuity for the office, the remaining inspectors to be on rotation tours of duty of a minimum of two years and a maximum of four years. They would be chosen from the four Directorates and from outside the CIA. As a rule great care should be exercised in the selection of inspectors, usually by nomination from the four Directorates and by agreement of the Inspector General and the Director. Maturity and broad experience are essential considerations for this work, as a great variety of subject matter is the rule. The ability to judge issues from a senior point of view are fundamental to the work. To meet the objective of such staffing, we

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believe that the staff should be comprised of officers in the grade of GS-15 to GS-17.

11. The problem of obtaining highly qualified personnel from outside the Agency "with ability to understand the various branches of the Agency," is not insurmountable. The Office of the Inspector General has had some experience with consultants in both audit and procurement fields, and presumably similar assistance is available in selected management areas. There are senior officers in the Government who have served with CIA in the past, who have various levels of understanding of its activities; on a selective basis they may be requested on detail from time to time. In certain scientific and technological work there are disciplines that could be obtained on a contract basis, in consultation with those elements of the Agency best able to judge the skills and technical qualifications of the individual desired.

Conclusions

I

There should be a new program with periodic and more frequent investigations of Agency components, emphasizing considerations of compliance with, however, a highly selective feature of reviewing special problem areas and subjects. This will include unscheduled and uncoordinated spot checks where information suggests that such inquiries are desirable.

II

The Inspector General will serve as a focal point in the Agency for handling reports of improper activities and investigating them.

III

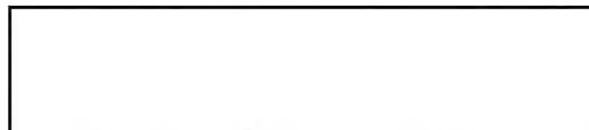
Careful study should be undertaken in the formulation of policy and procedures for handling reporting to external authorities.

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IV

The Inspection Staff, in conjunction with the Office of the Inspector General should be staffed initially as follows: the Inspector General and his secretary; the Deputy Inspector General and his secretary; ten inspectors; three secretaries and one registry/file clerk, with possibly additional personnel if experience with the new work requirements makes it seem necessary.

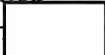


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Inspector General

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